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ABSTRACT

The premise of this policy paper is that two educational movements, the charter school movement and the development and dissemination of a variety of comprehensive school designs, have an unprecedented opportunity to work together to improve U.S. public education. This paper, focusing on challenges facing comprehensive school design organizations, uses dozens of interviews with representatives of school design groups, charter school leaders, and charter school resource centers to analyze the challenges in forging more links between charter schools and school design organizations. The primary challenges facing comprehensive school design groups working with charter schools are marketing, start-up problems, and the challenges posed by the relatively small scale of the individual charter school. Overarching strategies to address the problems of partnerships between comprehensive school design groups and charter schools include early contact with charter schools, the identification of markets for charter schools, and the identification of ways to capitalize on the respective strengths of the schools and the design groups. To address marketing challenges specifically, design groups should focus on outreach partnerships and marketing. To address the challenges of start-up, design groups should develop or identify low-cost tools to help them find promising candidates for collaboration, and they should explore creative funding options. Challenges related to the small scale of charter schools can be approached through clustering of schools using particular designs, shifting the balance of assistance by lowering the intensity of the intervention, and exploring ways to subsidize assistance to some charter schools in exchange for their willingness to be "lighthouses" or laboratories for designs. (SLD)

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Jon Schroeder
Charter Friends Nat Net

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Making Matches that Make Sense

Opportunities and Strategies for Linking Charter Schools and Comprehensive School Design Organizations

CHARTER FRIENDS
NATIONAL NETWORK
connecting and supporting state-level charter school initiatives

May 1998

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About this Policy Paper...

The origins of this policy paper lie in the growing interest in collaboration among both charter school supporters and leaders in a variety of comprehensive school design organizations. Discussions about collaboration between these two elements of school reform began in January of 1997 when a delegation of approximately 30 charter school operators and Friends Group leaders attended the annual "World of World Class Schools Conference" held in Memphis, Tennessee.

These discussions continued informally through much of the past year, culminating in a half-day workshop at the U.S. Department of Education's first National Charter Schools Conference in November of 1997 in Washington, D.C. That workshop was co-convened by the Department, Charter Friends National Network and New American Schools.

Following the November workshop, the Friends Network commissioned this paper and a companion document, "If the Shoe Fits," a practical guide for charter school operators considering possible partnerships with comprehensive school design organizations. The Friends Network intends to use broad dissemination of both documents to continue the education process about both the opportunities and challenges involved in collaboration between charters and school design groups – through mailings, on-line distribution, workshops at charter school conferences and other means. Comments and suggestions on these documents and their use are welcome and should be directed to the Charter Friends National Network (see the inside back cover for the Network's addresses and phone numbers).

About the authors...

Research and writing for both this policy paper and its parallel guide for charter schools were done by **Bryan and Emily Hassel**, co-founders of Public Impact, a North Carolina-based education policy firm. Both Bryan and Emily have been involved in efforts to create a supportive environment for charter schools for the past three years. Bryan helped launch the North Carolina Charter School Resource Center. And both Bryan and Emily are part of a team at SERVE, the Southeastern Federal regional educational lab, that's now designing a leadership institute for charter and other innovative public schools.

In addition to this policy paper – and the companion guide, "If the Shoe Fits" – Bryan and Emily previously co-authored the Network's 500-page "Sourcebook for Charter School Planning Workshops." Prior to founding Public Impact, Bryan worked for the Center for Community Self-Help in Durham, North Carolina, one of the nation's largest community development organizations. Emily previously worked for the Hay Group, consulting with organizations across the United States. Bryan holds a Ph.D. in Public Policy from Harvard University. A Rhodes Scholar, he also received an M.Phil. in Politics from Oxford University. Emily holds a JD/MBA from the University of North Carolina at Chapel Hill.

Introduction and Executive Summary

Among the numerous forces reshaping American education today, two that stand out are the burgeoning charter school movement and the development and dissemination of a variety of comprehensive school designs.

Charter schools and school design organizations have an unprecedented opportunity to work together on behalf of the nation's children.

Following passage of the nation's first charter law in Minnesota in 1991, charter school legislation has spread to more than 30 states. Some 800 of these autonomous but accountable public schools now educate more than 150,000 children in all types of communities. Several hundred more charters will be in operation by next fall and President Clinton has called for creation of more than 3,000 charter schools by the year 2000.

At the same time, we've seen growing interest in using comprehensive school designs to transform schools into high-performing organizations. From time-honored movements such as the Montessori and Paideia methods to more contemporary approaches such as the New American Schools models and Accelerated Schools, school design organizations have launched ambitious initiatives to help schools across the country put their designs to work. Nearly 10,000 schools nationwide now use one of the 26 comprehensive school designs profiled in the Northwest Regional Educational Lab's new *Catalog of School Reform Models*.

The premise of this policy paper is that these two movements have an unprecedented opportunity to work together -- bolstering the ability of both movements to significantly change and improve American Public Education.

A significant subset of charter schools can gain from tapping the expertise and assistance provided by comprehensive school design organizations. And school design organizations can benefit from the flexibility granted charters and the deep commitment exhibited by charter school parents, students, teachers and communities. These opportunities are already being realized in the dozens of charter schools across the country that are now using a variety of comprehensive school designs.

Based on dozens of interviews with representatives of school design groups, charter school leaders, and charter school resource centers and other state-level "Charter Friends" organizations, this policy paper analyzes the challenges in forging more links between charter schools and school design organizations and suggests a number of specific strategies for tackling those challenges.

The challenges identified in this paper are primarily those facing *comprehensive school design organizations*. The challenges encountered by charter schools working with design groups are discussed in greater depth in a companion publication, "*If the Shoe Fits: A Guide for Charter Schools Thinking About Adopting a Comprehensive School Design*," which is also available from Charter Friends National Network.

Design organizations say they are attracted to charter schools by the commitment of their leaders, their flexibility and the chance to be part of developing a new school from scratch.

Challenges

Partnerships between charter schools and comprehensive school design groups offer advantages to both aspects of education reform. However, efforts to establish those partnerships will meet several significant challenges including:

- ***The marketing challenge***: Charter school organizers are often not aware of promising school designs until they are well down the road planning their schools.
- ***The start-up challenge***: School design organizations may be reluctant to work with a start-up charter school because of uncertainty about the school's prospects for success and because of the school's limited fiscal resources.
- ***The scale challenge***: Because charter schools tend to be small and come in units of one, the costs of providing them with on-site training and other assistance can be prohibitively high.

Overarching strategies

- ***Overarching Strategy 1 -- Early Contact***: Charter Friends Groups, chartering entities, and funders should continue and intensify their *general* efforts to reach charter schools early in the application-writing process.
- ***Overarching Strategy 2 -- Lead Markets:*** Design organizations and Friends Groups should identify the most promising geographic "markets" for charter-design linkages: those with strong charter school laws (allowing large numbers of independent charter schools to form) and existing or planned concentrations of design-based schools.
- ***Overarching Strategy 3 -- Design Organization - Friends Group Partnerships:*** Charter Friends Groups and design organizations should explore a variety of partnerships to capitalize on their respective strengths.

Strategies to address the *marketing challenge*

- ***Marketing Strategy 1 -- Outreach Partnerships***: Friends Groups and design organizations should explore partnerships to expose charter applicants and charter schools to designs early in the development process, through planning workshops, "school design fairs" and other means.
- ***Marketing Strategy 2 -- Charter-friendly Marketing:*** The Friends Network, Friends Groups, and design organizations should develop charter-oriented materials to inform school organizers about designs and the process of working with design organizations.

Strategies to address the *start-up challenge*

- ***Start-up Strategy 1 -- Diagnostic and Buy-in Tools:*** Design groups should develop or "charter-ize" low-cost tools that help their staffs identify promising candidates for collaboration.
- ***Start-up Strategy 2 -- Creative Funding Options***: All parties should explore ways to fund design-based assistance for charter schools prior to opening, including use of available federal and state grants, privately funded planning grants to individual schools and revolving loans made available to schools, with a promise that the loans will be repaid.

Strategies to address the *scale challenge*

- ***Scale Strategy 1 -- Clustering:*** Design organizations and Friends Groups should explore ways to hold down costs by encouraging charter schools to form or join existing geographic "clusters" of schools using particular designs.
- ***Scale Strategy 2 -- Shifting the Balance of Assistance*:** Design groups should consider offering lower-intensity but still high-quality versions of their assistance tailored specifically for charter schools, especially in their pre-approval stage.
- ***Scale Strategy 3 -- Strategic Subsidies:*** Design organizations should explore subsidizing assistance to some charter schools in exchange for the schools' agreement to serve as "lighthouses" or "laboratories" for the designs.

Opportunities and Mutual Benefits

As the experience of many existing charter schools attests, both charter schools and school design organizations stand to benefit from forging partnerships. ***For individual charter schools***, the potential benefits include:

- ***Clarity***: The clarity of vision that comes with adopting a well-thought-out school design.

- ***Leadership attention***: Freeing up the time and talents of school leaders that would otherwise be devoted to school design.

- ***Resources***: Access to the resources of school design organizations. This includes the design group's expertise and, in some case, funding from either the design group or other sources.

Not all charter school organizers find these benefits appealing. One of the great strengths of the charter movement is the opportunity it provides schools to be truly pioneering, "to go where no school has gone before."

Of course, many charter organizers are intent upon charting such a course *themselves* and would not be interested in adopting – or even adapting – designs developed by *others*. But a significant subset of charter organizers – though they have compelling ideas of their own – may welcome the chance to stand on the shoulders of like-minded organizations. It is this subset for whom this kind of collaboration represents an opportunity.

For the charter movement as a whole, school design organizations can provide a critical piece of the "infrastructure" needed for the movement to grow. As more charter schools emerge, a variety of organizations are stepping forward to provide them with the services they need to succeed. School design organizations have the expertise to fill a particularly important service niche: the provision of high-quality, research-based curricular and instructional designs and the know-how to use them well at the school level.

For school design organizations, charter schools offer potentially fertile soil for a range of reasons. Design groups face a number of well-documented challenges as they work within conventional school districts (see box on page 6). Charter schools can help overcome some of these challenges by providing:

- ***Commitment***: Charter schools are schools of choice for both the teachers and others who work there and for the families whose children enroll. They all come to the school with a commitment to its mission and goals. As school design organizations have learned through years of implementation, commitment to the design by members of a school community is a critical factor in the design's success at the school level. Charter schools maximize the chance for success by already having that kind of commitment in place.

- ***Flexibility***: Because of their typically small size and autonomy from state and district constraints, charter schools are more flexible and less bureaucratic than conventional public schools and their districts. As a result, they offer a real opportunity to reallocate budgets, alter schedules, redeploy staff, refocus professional development time, and make use of new technology in accordance with a comprehensive school design.

- ***Ground-floor access***: Charter school organizers come to the table ready to chart a new course. They do not need to be "sold" on the importance of change and improvement in schooling. By working with start-up charters, school design organizations have the opportunity to become involved in schools on the ground floor and ensure alignment of the school's education and management practices. Rather than laboring to change the culture of an existing school, they can participate actively in recruitment of staff and families, the professional development of faculty, and making critical school design decisions.

Charter schools and school design organizations are already reaping these mutual benefits in a number of communities across the country. Comprehensive designs currently in use by charter schools include Accelerated Schools, Advantage, Coalition for Essential Schools, Community Learning Centers, Core Knowledge, Edison, Modern Red Schoolhouse, Montessori, Outward Bound Expeditionary Learning, Paideia, SABIS, and Waldorf. However, these schools represent only a fraction of the charter movement – in part, because of a number of obstacles and other challenges described below.

Challenges and Strategies to Overcome Them

Research undertaken by Charter Friends National Network has identified three critical challenges confronting design organizations interested in working with more charter schools:

RAND Study Finds District Schools Present Challenges for Design Teams

Tailoring their products and services to meet the unique needs of smaller, independent charters isn't the only challenge facing comprehensive school design programs. In fact, a recent RAND Corporation study found a number of challenges facing design groups in partnering with *district schools*, offering both lessons and opportunities in connecting those design groups with charters.

The study – conducted by a team of RAND researchers – examined the progress of 40 schools that have adopted one of the New American Schools designs. The team concluded that only half of the schools had successfully implemented the designs so far. Among the problems cited by the RAND researchers:

Poor matches: Implementation lagged in schools where staff felt they were forced to adopt a design or did not fully understand the design at the outset.

School-level turmoil: Leadership turnover and internal strife within the schools hindered efforts to put designs in place.

Lack of autonomy: Some districts have not provided schools with sufficient flexibility to implement designs fully.

District-level politics: Political turmoil and leadership issues at the district level have often interfered with smooth deployment.

See the references section at the end of this report for information on how to obtain the RAND study.

- ***The marketing challenge***: Charter school organizers are often not aware of promising school designs until they are well down the road to planning or even opening their schools.

- ***The start-up challenge***: School design organizations may be reluctant to work with a start-up charter school because of uncertainty about the school's prospects for success and because of the school's limited financial resources.

- ***The scale challenge***: Because charter schools tend to be small and come in units of one, the cost of providing them with assistance can be higher than the unit cost of working with clusters of larger district schools.

In the following sections, these challenges are described in more detail. And a series of strategies is offered for addressing each of those challenges. Some strategies can be pursued directly by *design organizations* if

they are interested in working with more charter schools. Other strategies might be undertaken by *Charter Friends Groups* to help more charter schools in their states link up with design organizations. Still others are courses of action that require *collaborative efforts* by design organizations, Friends Groups, and others like the Friends Network and funders.

Overarching strategies

As noted above, the challenges facing efforts to link charters and school design groups fall under three main headings. However, before tackling each challenge, the Friends Network's research identified three overarching strategies that can help address all three challenges at once.

***Overarching Strategy 1 -- Early Contact*:** Friends Groups, chartering entities, and funders should continue and intensify their *general* efforts to reach charter schools early in the application-writing process.

In many states, Friends Groups and chartering entities have launched efforts to reach charter applicants early in their development processes, offering planning workshops, charter school "handbooks" and other tools. As encouragement to expand those efforts, the Friends Network recently published a 500-page "Sourcebook for School Planning Workshops" collecting advice and materials from six leading charter school resource centers.

Several prominent national foundations and some state departments of education have also begun providing planning grants for charter organizers in the earliest stages of their work. These *general* efforts at early contact can help facilitate links between charter schools and design organizations in the following ways:

- Introducing organizers to school designs early addresses the *marketing challenge*.
- Exposing applicants to well-designed workshops and training materials puts them on sounder footing, raising the confidence of school design organizations in their capabilities and thereby addressing the *start-up challenge*.
- Providing planning grants helps organizers pay for at least some of the up-front costs of school designs, addressing the *scale challenge*.

The Colorado League of Charter Schools has organized information sessions to link design groups with charter organizers in the very earliest stages of development.

***Overarching Strategy 2 -- Lead Markets*:** Design organizations and Friends Groups should identify the most promising geographic "markets"

for charter-design linkages: those with strong charter school laws and existing or planned concentrations of design-based schools.

At this stage in the development of charter schools and design organizations, some areas of the country are better suited to forging these linkages than others. The most promising markets are at the intersection of two conditions:

- The presence of "strong" charter school laws.
- The presence (or planned presence) of "clusters" of district and/or charter schools using a particular school design.

These conditions can be enhanced even further when early contacts are being made with charter founders and when strong resource centers and other Friends Groups are actively facilitating these partnerships.

Each state charter law is unique, of course, but experience is now demonstrating that strong charter laws have several common characteristics:

- ***Openness to entry***: Empowering a wide range of individuals and groups to start schools.
- ***Scale***: Allowing an unlimited or very large number of charter schools to open.
- ***Alternative chartering authorities***: Giving multiple entities the authority to grant charters, including entities other than local school boards.
- ***School autonomy and flexibility***: Granting schools legal and fiscal independence and providing for broad, automatic waivers of laws and regulations.
- ***Full funding***: Providing per-pupil funding for charter schools on an equal par with district schools – ideally including funding for start-up and facilities.

(For more detail on these and other provisions in state charter laws, see the Center for Education Reform's *Charter School Workbook*. Information on how to order the CER *Workbook* is included at the end of this report).

Strong charter school laws provide fertile ground for design organizations by making marketing more cost-effective, by creating the possibility that a

significant number of charter schools in an area might use a design, and by ensuring that charter schools have the flexibility to implement their chosen designs fully.

At the same time, it's also important to look for places where school design organizations are already working with or are planning to work with significant numbers of schools. In these areas, the possibilities for achieving economies of scale by including charter schools in "clusters" with district schools and/or other charters are greatest. For more on how this clustering could work, see the section on strategies for achieving economies of scale, below.

Overarching Strategy 3 -- Design Organization - Friends Group Partnerships: Friends Groups and design organizations should explore a variety of partnerships to capitalize on their respective strengths.

As will be discussed below, the marketing challenge has two sides to it: lack of knowledge on the part of charter organizers about school designs, and lack of understanding among school designs about the nuances of state charter laws and practices.

Since Charter Friends Groups are "local experts" about how charter schools function in their states – and are the organizations most likely to be in contact with charter school organizers – they appear to be the ideal entities to bridge these knowledge gaps. Friends Groups are also ideally positioned to help address the start-up and scale challenges in ways that will be described in the relevant sections below.

Challenge #1 -- Marketing

While each charter school's path is different, most follow a generic set of steps. A group of teachers, parents or others defines an unmet need and begins discussing the idea of creating a charter school – or converting an existing school to charter status – to help meet that need. The group conducts research or engages in discussions to refine its vision and plans. This process culminates in an application to a "chartering entity" – a body empowered to grant charters to worthy applicants.

Upon approval, the group then carries the process through a start-up period, during which it firms up its design, hires and trains staff, recruits students, and handles the myriad of tasks required to start or convert a school. Finally, the school opens its doors to students. Altogether, this process might take as little as a year, or as long as several years.

At what point in this process would it make sense for a charter school to link up with a school design organization? According to school design officials consulted in this research, the ideal point of contact is the "research" phase -- when charter organizers have some initial ideas but are still deciding *how* to solidify their general goals into a concrete plan. Getting involved early allows both the charter school and the school design organization to reap the full benefits of collaboration.

But in this early phase, it's often very difficult for a prospective charter school and a design group to make their connection. Charter organizers are just starting to investigate their options, and may be unaware of the range of designs they might consider. The design group, of course, is unaware of an unofficial group of people just beginning to conceive of a new charter school.

By the time charter organizers and a design group encounter one another, it may be too late for this early, high-impact collaboration to take place. Charter organizers may have firmed up their ideas to a point where their own designs and those offered by the design organization are in conflict. If the conflict is over fundamental elements of school design, then the failure to connect does not pose a problem. But if the differences are less fundamental, the school and the design group could have worked through them over time, to the benefit of both.

Of course, it's never "too late" for a school to adopt a school design. After all, hundreds of district public schools are in the process of putting designs into practice after years or even decades of doing things in other ways. And some charter schools have adopted designs *after* opening their doors.

But with most charter schools, there is an important difference: by the time a charter school opens, the level of commitment to the charter's design is likely to be very deep – much deeper than the faculty of a typical district school. Unless the charter school's home-grown design happens to accord nicely with an existing school design, the prospects for a post-opening adoption are much less likely.

Design groups report a lack of understanding of the opportunities and constraints faced by charter schools in various states.

A further complication in marketing to charters is the fact that design organizations are generally unfamiliar with the charter school terrain in various states. Several design organizations interviewed for this report said a lack of understanding of the nuances of different charter laws and practices makes it difficult for design groups to select target markets and devise effective strategies for developing links with charter schools. Just

as charter organizers are often ignorant of the various design options, design organizations often lack knowledge of the constraints and opportunities their potential charter partners face in what are now more than 30 charter school states.

Design organizations say marketing to charter schools is easier in one respect: charter schools don't have to be convinced of the need for change.

On the other hand, it's important to point out that the marketing challenge has a significant "flip side." *In working with charter schools, design organizations do not have to market the importance of change.* Charter organizers come to the table committed to doing things differently. In this respect, the marketing challenge is less severe with charter schools than it is with conventional public schools.

In addition, since charter schools are autonomous, design organizations can market directly to them rather than through what can be complex and bureaucratic district administrative structures. This opportunity for "direct marketing" helps minimize a phenomenon observed in the RAND study of New American Schools when school staff feel a design has been foisted on them "from above."

These considerations compensate somewhat for the marketing challenge, but there is still a need for proactive strategies to help charter schools and design options make early connections. Here are two sets of strategies that could make a critical difference:

The California Network of Educational Charters (CANEC) included a five-workshop strand on forging links with comprehensive school design groups at its 1998 annual conference.

Workshop on forging this link have also been part of recent statewide charter conferences in Wisconsin and Texas.

Marketing Strategy 1 -- Outreach Partnerships: Friends Groups and design organizations should explore a variety of partnerships to introduce charter applicants and charter schools to a number of different designs. Possible partnerships include:

- ***Rolodex exchange***: Simply ensuring that Friends Groups and design organizations are generally aware of one another is an important first step. When Friends Groups encounter charter organizers interested in "shopping" for a design, they will know where to point them. And design organizations will know where to turn for state-specific intelligence on charter laws, practices and contacts.

- ***Marketing conduits***: Some Friends Groups are already sponsoring events for and distributing materials to charter organizers. In several states, design organizations have made use of their annual conferences to inform prospective charter schools about some of the design options available to them.

- ***More ambitious partnerships***: Friends Groups and design organizations might also explore more structured partnerships in which both

commit to a concerted effort to recruit charter organizers to adopt one or more designs. Of course, many Friends Groups may be reluctant to pursue such partnerships since they may not want to appear to be agents for a particular school design and because such focused outreach may distract them from the general work they must carry out. But if appropriately structured to ensure Friends Groups' impartiality (e.g. by making it clear that Friends Groups are free to enter into similar partnerships with other designs) and, if properly funded, such partnerships could be the most effective way to introduce designs to a state.

One design organization is seeking outside funding specifically for marketing efforts aimed at charter schools in a small number of states.

Marketing Strategy 2 -- Charter-friendly Marketing: The Friends Network, Friends Groups, and design organizations should develop charter-oriented materials to inform organizers about designs and the process of working with design organizations. This strategy entails both global and design-specific tactics:

- ***Global***: The Friends Network and Friends Groups should widely disseminate this document's companion ("If the Shoe Fits: A Guide for Charter Schools Thinking About Adopting a Pre-existing School Design"), the Northwest Regional Educational Laboratory's *Catalog of School Reform Models*, and other resources to prospective charter operators. At a minimum, all Friends Groups and chartering entities should have copies of these publications to distribute to interested charter organizers.

- ***Design-specific***: Design organizations should work with Friends Groups to ensure that materials and other marketing devices are available and to answer the charter audience's questions. For insights from charter leaders about what these questions are, see the Charter Friends National Network's companion publication, "If the Shoe Fits."

Challenge #2 -- Start-up

Even if a charter school organizing group and a school design organization manage to connect early in the process, they still face significant challenges to collaboration. One set of challenges arises particularly when a charter school is a start-up school, as some 60 percent of the nation's charter schools are. Start-up schools present two difficulties for school design groups: *uncertainty* and *scarce fiscal resources*.

- ***Uncertainty***. When a school design organization decides to work with a new school, it is taking a risk. If the school implements the design faith-fully and effectively, the school design organization "wins" --

another example of the design's promise is in place. But if the school implements the design poorly, the school design organization "loses." At best, it has invested its scarce resources in an effort that led nowhere. At worst, its reputation may be set back locally or even beyond.

Some design groups express a hesitance to become involved with charter organizers who have not yet received formal approval.

In two respects, this risk may be different in the case of a start-up charter school.

First, the school organizers may not be able to show the design organization a track record of running a school in the past. The design group has to make a more complex judgment about the organizers' capabilities based on what they have accomplished in other domains -- as teachers within a school, as business people, or as active parents or community leaders.

Second, the school's approval by the chartering authority is uncertain. Even if the design organization has confidence in the school's leadership, the school may never see the light of day because of political opposition, fiscal constraints, inability to find a suitable facility, legal restrictions, or any of the many other reasons charter applicants are rejected. And even ultimately successful schools could take months or even years to navigate this process.

- ***Scarce fiscal resources***. A second challenge associated with a start-up charter school is that it may not have sufficient funds to pay for a design organization's services during its start-up phase. Once chartered, the school will receive a flow of per-pupil dollars out of which it could pay for design services, perhaps including repayment for services rendered during the start-up period. And charter schools in some states receive federal start-up funds prior to opening. But many charter organizing groups lack adequate funding to plan their schools, especially at the time in their development when they need to begin working with design organizations.

  According to interviews with design groups and recent research, uncertainty about a school's capabilities and commitment to designs is not unique to charter schools. Design teams encounter the same issues with district schools.

  Of course, delaying payment until the school is open presents risks for design organizations. In light of the uncertainty described above, design organizations cannot count on future payments to offset current expenses. And some design organizations may lack the up-front cash to provide intensive services to start-up schools even if they were certain these schools would ultimately repay their debts. The severity of this problem depends on the up-front cost of a given design, which varies greatly for reasons described in more detail below.

Like the marketing challenge, the start-up challenge also has a more positive "flip side." *In working with charter schools, design organizations have the opportunity to become involved with schools on the ground-floor.* Rather than laboring to change existing practices, routines, and cultures, design teams can focus their energies on building schools from scratch that embody the designs' elements.

The Modern Red design group produces "So You're Interested in Becoming a Modern Red Schoolhouse," a document that guides schools through a careful process of determining whether the design is a good match.

Design organizations can even participate in the selection of the school's leadership and key staff, helping to ensure a strong commitment to the designs from the outset. From this perspective, the start-up challenge is in some ways *less* severe with charter schools than with district schools. Nonetheless, several explicit strategies are needed to overcome the problems that arise in linking new charters with comprehensive school designs. Again, these strategies fall into two broad categories:

Start-up Strategy 1 -- Diagnostic and Buy-in Tools: Design groups should develop or "charter-ize" low-cost tools that help their staffs identify promising candidates for collaboration.

Many design groups already have mechanisms to determine whether a given school is a good candidate for working with the design. These include both "diagnostic" tools (which help design group staff determine whether a school has the leadership and other characteristics necessary for the design) and "buy-in" tools (which require would-be users of the design to clear a number of hurdles to ensure their commitment to the design). If well-structured, such tools enable design organizations to select promising candidates with a minimum of up-front investment of staff-time.

In many cases, however, these tools would need to be modified to work with a start-up charter school. For example, since there is no existing school to assess, the tools would need to focus on the capabilities, backgrounds, and degree of commitment of key charter organizers.

Could Friends Groups play a role in the diagnostic and buy-in process? In theory, yes. Currently, school districts help play this role, assisting design groups with selection and screening of candidates. To serve such a function, however, Friends Groups would need to be willing to "certify" particular charter organizers, a practice many may be reluctant to undertake.

Start-up Strategy 2 -- Creative Funding Options: All parties should explore ways to fund design-based assistance for charter schools prior to opening. Two models in particular appear most promising: school-based and pooled finance.

- ***School-based finance***: Perhaps the most obvious way to fund design-based assistance is for the Friends Network and individual Friends Groups to continue to raise funds or encourage funders to provide planning grants for charter organizers. These grants could be used to pay for design-based assistance.

  In addition to private funds raised directly or through charter organizations, Congress passed legislation in late 1997 that could provide charters – and other schools – a new source of financing for up front costs of buying-in comprehensive school designs. The "Comprehensive School Reform Demonstration Grant Program" will be administered by states and will offer individual schools grants of at least $50,000 to buy-in designs that meet certain criteria. Charters may apply for these grants either directly – in states where they are autonomous – or through their districts.

  To fully realize the potential that charters offer as demonstration sites for these designs, states or districts might be encouraged to set-aside a certain percentage of the grants they administer under this program *specifically for charters*.

- ***Pooled models***: Another approach to funding is to create loan pools dedicated to financing assistance to help plan and start charter schools. Rather than grants, these pools would provide loans or investments to charter organizers to cover pre-operational costs, to be paid back from per-pupil funding received once the schools are operational. Loan funds would then be available for subsequent rounds of school planners. Such pools could be organized either as design-specific pools or what might be called "global pools:"

  - ***Design-specific***: A particular design organization could raise a pool of funds to finance its own work with start-up charter schools. These funds would provide cash flow for the design organization during the pre-operational period. This method is, in effect, what many of the for-profit school management companies are already using to address this challenge.

    For example, firms like Edison and Advantage have raised substantial amounts of venture capital to finance the development of new schools. The firms (and ultimately their investors) recoup the funds once schools are open and able to repay via management fees, leases on equipment and facilities, sale of curriculum materials, etc. There is no

reason nonprofit design organizations couldn't pursue a similar strategy. While they cannot raise venture capital per se, charitable grants and "program-related investments" can serve the same purposes.

- ***Global***: Alternately, Friends Groups themselves could raise pools of capital to finance pre-operational costs for start-up schools, including (but not limited to) assistance from design organizations. Some funders may find loan pools more attractive than grants because the funds would recycle, ultimately serving many more schools.

One issue that such loan pools would have to address is risk. Some of the schools that received funds or assistance may fail to open and thus be unable to repay their obligations. To accommodate this possibility, operators of the funds would need to investigate well-developed techniques used by conventional and community development lenders for managing risk, such as requiring recipients to make "downpayments" or raise matching funds (which, pooled together, would cover defaults) and raising dedicated funds to serve as loan-loss reserves for the program.

Challenge #3 – Economies of Scale

When a school design organization works with multiple schools in a school district or even a state, it can realize economies of scale in numerous ways. Most notably, it can spread whatever fixed costs it has over larger numbers of schools and students, lowering the per-school and per-student cost of the assistance it provides. In addition, school districts and state departments of education are large enough to dedicate some of their own staff people to design implementation, creating a cadre of local assistance providers at little cost to the design organization.

Design groups have difficulty realizing these economies when working with individual charter schools. Many charter schools come in units of one, unaffiliated with other charter schools or with school districts. There are certainly exceptions: multi-campus charters are relatively common in Arizona, and some charter schools (by choice or by law) are linked to their school districts. But in many cases, design groups may be asked to work with a single charter school in a given geographic area.

In addition, most charter schools are quite small, at least relative to district schools. The U.S. Department of Education's National Charter Schools Study reported that – as of 1995-96 – 62 percent of charter schools had

fewer than 200 students, compared to only 16 percent of district schools in that same enrollment range.

It's important to note that the severity of this challenge varies immensely with the types of assistance provided by the design organization. Design groups differ in the types of services they provide to schools, but several generic modes are most common:

1. ***On-site assistance***. Design organization staff or consultants come to a school or school district and deliver:

    - Formal training and professional development to prepare staff to use the design and to hone its use over time.

    - One-on-one technical assistance to individual schools, following up the more formal training with help geared toward specific issues that have arisen over time.

2. ***Off-site assistance***, including:

    - Formal training and professional development, in which school staff travel to design organization offices or other sites to receive assistance.

    - Remote one-on-one assistance to individual schools via 800 numbers, electronic mail, or other connections.

3. ***Networking***: Provision of opportunities for schools using a design to network with one another, via school-to-school visits, electronic communication, conferences, and other media, and referrals of schools to independent consultants trained in the design.

4. ***Materials/tools***: Distribution (via hard copy or electronically) of materials and other tools to help schools implement the design.

Activities at the top of this list are those for which having many schools adopting the design in a geographic area ("clustering") creates significant economies of scale.

Design groups can realize the greatest savings by conducting on-site formal trainings and professional development for a number of schools at the same time. Geographical clustering reduces the costs of one-on-one technical assistance less dramatically, since, by definition, this sort of help must be provided school-by-school. But to the extent that design

organizations can train many schools sequentially (via "circuit-riding" from one school to another on the same trip), they can achieve economies in travel and staff costs.

Some design groups say charter schools may be able to implement designs less expensively than conventional schools because of the flexibility they have in allocating resources.

Of course, when it comes to off-site assistance, design groups realize little benefit of having multiple schools in a single location, though far-away schools have to pay more in travel costs and time to participate. Networking activities also offer minimal economies associated with clustering, except in the case of school-to-school visits and frequent meetings involving multiple schools. Materials and tools are close to pure variable costs, and thus should be as economical to provide for stand-alone charter schools are they are for clustered district schools.

Though virtually all design groups offer at least some of each of these kinds of assistance, the balance varies from organization to organization. For some design groups, intensive on-site assistance is absolutely central to their dissemination strategies. Representatives of these groups argue that their designs simply cannot be transferred without higher-intensity versions of assistance. Others *offer* high-intensity assistance but are less insistent upon it.

These differences arise primarily because some designs lend themselves more easily to dissemination via materials, networking, and other low-intensity activities than do others. For example, designs that stress the content of the curriculum – rather than a particular instructional method – can get by with less direct assistance than designs that emphasize pedagogy.

The scale challenge also has important "flip sides." For example, it should be simpler and less expensive to implement a design in a smaller school – with fewer teachers, less bureaucracy, and more buy-in. Since all charter schools choose their own designs, design organizations will also find a higher degree of commitment to their designs when they work with charter schools.

If this commitment means design organizations need to spend less time building support for their designs, it can translate into cost savings. And charter schools have much greater flexibility than do district schools in their use of resources. With fewer restrictions, charter schools can more easily deploy funds needed to implement the design, wasting less money on non-critical expenses. Even with these advantages, however, charter schools still present a set of challenges that might be addressed by the following strategies:

Scale Strategy 1 -- Clustering: Design organizations and Friends Groups should explore ways to hold down costs by encouraging charter schools to form or join existing geographic "clusters" of district or other charter schools using the same designs. There are several possibilities here, including:

- ***Direct charter participation in clusters***: In some cases, charter schools may be able to take part in planned clusters of district schools. This strategy is particularly promising in cases where charter schools are conversions of existing district schools, where charter schools are legally part of school districts, or where independent charter schools have good relationships with neighboring districts.

- ***Charter add-ons to clusters***: In cases where a charter school does not have a good relationship with a district, opportunities for direct participation may be less likely. But design organizations might consider adding charter schools to existing clusters, without including them directly, in one of two ways:

    - ***Circuit-riding***: Charter schools could receive training and consulting immediately before or after visits to nearby district schools, allowing the design organization to economize on travel and some staff costs, or

    - ***Using downtime***: If design organizations experience "downtime" during certain periods of the year but continue to employ technical assistance staff, charter school trainings and visits could be timed to take advantage of these off-peak periods. Design organizations might benefit financially from such arrangements, much in the same way airlines, hotels, and utilities benefit by managing the peaks and troughs in their demand cycles.

- ***Charter clusters***: Even where there are no existing district clusters, design organizations might be able to create charter-only clusters, charter-private clusters, or other mixes. These possibilities would be especially promising in jurisdictions with strong charter laws and in high-population areas likely to host enough charter schools interested in a design to make clustering feasible.

- ***Broader geographic clusters***: If clustering within a district is not feasible, design organizations could pursue broader geographic

The Accelerated Schools Project assists a charter school out of its Los Angeles satellite office, taking advantage of an existing "cluster" of design-based district schools.

clusters (e.g. at the state level). School staff from across the state could travel to a central location for formal training; on-site consultation would be more expensive than in a district-centered cluster, but still reasonable.

- ***Using technology to "cluster":*** An even larger-scale version of the previous tactic involves using distance-learning technologies to "cluster" schools without regard to geography. Using teleconferencing and Internet-based media, charter and other isolated schools could simultaneously receive assistance, minimizing live site visits. As the software and hardware (including rentable distance learning sites now available in major urban markets) become more effective and affordable, prospects for these forms of clustering will also become more promising.

The National Paideia Center is building a national network of consultants to provide more intensive assistance to schools than the national center itself can offer.

What roles could Friends Groups play in clustering? At a minimum, Friends Groups could play a role in *convening* clusters -- connecting multiple charter schools with interest in a given design to create a charter cluster, helping negotiate with clustered districts, etc.

More ambitiously, Friends Groups in states where many charter schools have an interest in a certain design could consider adding *design-specific technical assistance capability through staffing or use of consultants*. In this role, Friends Groups would mimic current practice in certain school districts where district staff become trained in a design that many district schools are implementing. Whatever their level of involvement, however, Friends Groups would need to negotiate sufficient compensation with the design organizations in order to justify their time and out-of-pocket expenses.

Finally, design groups can make clustering more feasible and more economical by finding ways to set up regional service centers (like Accelerated Schools does) or by creating networks of consultants trained in a design (like the National Paideia Center plans to do).

Scale Strategy 2 -- Shifting the Balance of Assistance: Design groups should consider offering lower-intensity but still high-quality versions of their assistance explicitly for charter schools, especially in the pre-approval stage.

As noted in the discussion of the *scale challenge*, most design groups offer a mix of services to participating schools, some more intensive (and thus more expensive) than others.

To make their designs economical to charter schools, some design organizations have created lower-intensity mixes of services, especially for the pre-approval and pre-operational phases of a school's design. This strategy requires doing more with materials and networking and less with formal training and customized one-on-one assistance.

Of course, this approach may also entail price-quality tradeoffs that are unacceptable to many design organizations. But within quality constraints, design organizations could help forge these links by exploring options that are more financially feasible for the individual charter schools.

Scale Strategy 3 -- Strategic Subsidies: In their own self-interest design organizations should explore subsidizing assistance to some charter schools in exchange for strategic advantages.

One strategy some design organizations are pursuing is the creation of a limited number of "lighthouse schools": schools that are implementing their designs in a particularly "pure" form. These schools serve as a showcase of the design that can be used for public relations and marketing and a place where new adopters of the design can see the design in action.

Another strategy is the creation of "laboratory schools," places where adjustments to the design can be deliberately piloted and evaluated. Because of their flexibility and high degree of commitment, charter schools may be ideal venues for the lighthouse and laboratory functions. In return for the higher degree of design-organization involvement and other activities (like hosting visitors), charter schools that agree to play these roles could receive design assistance for free or for a reduced price.

Conclusion

Though they face significant challenges in forging successful links, design organizations and charter schools have already shown that collaborations can work. Importantly, working with charter schools can overcome some of the intractable problems that plague design groups' in their relationships with district schools.

None of the strategies outlined in this document will overcome all of the barriers to the use of designs by charter schools. But together, they can help raise the prospects for collaboration and, ultimately, successful implementation of the designs in ways that benefit charter schools and their students. And as design organizations, Friends Groups, and charter schools themselves put these ideas into action, their experiences will generate even more strategies for forging these links and making them work.

The Core Knowledge Foundation offers schools a variety of options at a range of prices -- from the purchase of basic materials to extensive hands-on technical assistance.

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About the growing role of "Charter Friends..."

Charter schools are borné out of the passion and commitment of their founders and the educational needs of the students and communities they serve. But even the best charter founders and operators cannot succeed entirely in isolation. They require an infrastructure of technical and informational support to help design quality schools, obtain charters, and launch and successfully sustain their school operations.

In response to these needs, a number of **state and sub-state resource centers and other charter sup-port organizations** are emerging throughout the country. Some of these organizations were initially established to help build public awareness and legislative support for state charter school laws. Once laws are passed, their attention tends to focus on recruiting and assisting charter applicants and providing charter operators ongoing technical assistance and other forms of support.

These "Charter Friends" organizations assist charters with a **variety of issues and needs** including school planning, governance, financing, curriculum, assessment and accountability, facilities, and other ingredients in starting and running high quality schools. Most are privately funded non-profit organizations, but they sometimes charge fees to help cover the cost of their operations. They attract fiscal and administrative support from foundations, businesses, think tanks, academic institutions, and individuals. They are most often organized on a state-level, but sometimes have a more narrow geographic focus within a state.

About the Charter Friends National Network...

Just as no charter school can succeed in total isolation, state and sub-state "Charter Friends" organizations have found value in the relationships and support they gain from each other. With charter schools now authorized in 33 states and the District of Columbia, both the number of these organizations and the potential for mutual shared support have grown rapidly.

In response to these needs and opportunities, **Charter Friends National Network** was established in early 1997 as a project of the St. Paul-based Center for Policy Studies in cooperation with Hamline University.

The Network's mission is to **promote the charter opportunity by helping start and strengthen re-source centers and other state-level charter support organizations**. The Network pursues its mission through publications, conferences, on-line communications, a grant program, and multi-state initiatives on high priority issues. In 1998, these initiatives include charter school accountability, facilities financing, govern-ance and special education.

Charter Friends National Network began as an expansion of the work of **Ted Kolderie**, senior associate at the Center for Policy Studies and a leader in the national charter movement from its beginning. Its director is **Jon Schroeder**, a veteran Minnesota policy analyst and journalist who played a major role in the design and passage of the federal charter grant program as policy director for former U.S. Senator Dave Durenberger. Leading the Network's outreach initiative is **Eric Premack**, who heads the Charter Schools Development Center at California State University and is one of the nation's top experts on both charter school policy and operations.

For more information on the Network and its activities, or to obtain additional copies of this guide, contact: Charter Friends National Network, 1355 Pierce Butler Route, Suite 100, St. Paul, MN 55104; 612-644-5236 (voice); 612-645-0240 (fax); info@charterfriends.org (e-mail); or www.charterfriends.org (web site).

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